



Public Notice Pursuant to A.R.S. § 38-431.02

**ARIZONA MUNICIPAL WATER USERS ASSOCIATION
MANAGEMENT BOARD**

MEETING NOTICE AND AGENDA

Wednesday, April 14, 2021 – 10:00 a.m.

**This meeting will be held via AMWUA Zoom
Access this [Link](#) to join. Meeting ID: 848 7343 9410**

(Option to join by phone: 1-346-248-7799, same Meeting ID as above)

A. Call to Order

B. General Business—Items for Discussion and Possible Action

1. Approval of the Minutes from the March 10, 2021 Meeting
2. Schedule Next Meeting Date: Wednesday, May 12, 2021, 10:00 a.m.
3. 2021 Legislative Session
4. CAWCD Water Rates, Taxes and Capital Charges
5. Status of the Recovery Planning Advisory Group
6. City of Chandler's Water Allocation Process
7. AMWUA Fiscal Year 2022 Preliminary Draft Budget

C. Member Reports

D. Executive Director's Report

E. Future Agenda Items

F. Adjournment

*The order of the agenda may be altered or changed by the AMWUA Management Board. Members of the AMWUA Management Board will attend by internet conferencing.

More information about AMWUA public meetings is available online at www.amwua.org/what-we-do/public-meetings, or by request.

Arizona Municipal Water Users Association



MANAGEMENT BOARD

MEETING MINUTES

March 10, 2021

ZOOM TELECONFERENCE

VOTING MEMBERS PRESENT

Jessica Marlow, Gilbert, Chair
Brian Biesemeyer, Scottsdale, Vice Chair
Kirk Beaty, Avondale
Craig Johnson, Glendale
John Knudson, Chandler
Karen Peters, Phoenix
Terry Piekarz, Tempe
Javier Setovich, Goodyear
Jake West, Mesa

VOTING MEMBERS NOT PRESENT

Cape Powers, Peoria

OTHERS PRESENT

Barry Aarons, The Aarons Co.	Craig Caggiano, Tempe	Jessica Fox, AMWUA
Patrick J. Adams, AMWUA	Cynthia Campbell, Phoenix	Lacey James, Avondale
Jamie Ashby, SRP	Gregg Capps, Chandler	Patty Kennedy, Phoenix
Michelle Barclay, AMWUA	Sam Draper, AMWUA	Diana Pina, AMWUA
Mitch Basefsky, CAWCD	Gretchen Erwin, Goodyear	Richard Siegel, SRP
Gretchen Baumgardner, Scottsdale	Paulette Fenderson, Phoenix	Drew Swieczkowski, Glendale
Anthony Beckham, SRP	Kathy Ferris, AMWUA	Warren Tenney, AMWUA
Eric Braun, Gilbert	Brett Fleck, Peoria	Sheri Trapp, AMWUA

A. Call to Order

Ms. Marlow called the meeting to order at 10:07 a.m.

B. General Business – Items for Discussion and Possible Action

1. Approval of the Minutes from the February 10, 2021 Meeting

Upon a motion made by Mr. Johnson and a second by Mr. Knudson, the AMWUA Management Board unanimously approved the February 10, 2021 meeting minutes.

Arizona Municipal Water Users Association

2. [Next meeting scheduled: Wednesday, April 14, 2021, 10:00 a.m.](#)
3. [2021 Legislative Session](#)

Mr. Tenney reported that Governor Ducey has signed over 40 bills, four of which AMWUA took a position on. He highlighted the progress of a few bills AMWUA is following.

The ADEQ bill (HB 2691) to regulate non-WOTUS waterbodies passed the House by a 31 to 29 vote. The Governor's Office has been making a concerted effort on this bill. AMWUA will continue to monitor this bill.

SRP's legislation (SB 1177) that would provide a tax credit for the timber industry has passed out of the Senate and also passed out of the House Natural Resources Committee. AMWUA supports this bill.

Two other bills that AMWUA supports have passed out of the Senate and need to be heard in the House Committee within the next two weeks before the deadline passes for bills to be heard. These bills are SB 1147, AMWUA's Water Bank legislation, and SB 1366 which extends statutory provisions related to remediated groundwater.

Mr. Aarons stated that he spoke with Representative Gail Griffin on the importance of SB 1147 and SB 1366. Representative Griffin is reviewing and understands that the main purpose of SB 1366 is to extend the deadline from 2025 to 2050. Mr. Aarons noted that SB 1147 is preventative medicine so that when a shortage occurs communities can deal with it expeditiously. Mr. Aarons also reported that the amendment AMWUA supported on HB 2671 passed out of the Appropriations Committee.

4. [AMWUA Strategic and Annual Action Plans](#)

Mr. Tenney reported on AMWUA's Strategic Plan for 2021-2026. He explained that since the current strategic plan is serving AMWUA well to focus on its mission, the new one is substantively the same but more succinct. He shared AMWUA's Vision and Mission Statements, and a list of objectives that AMWUA will work on to accomplish its mission. These objectives will guide the Annual Action Plan. He explained AMWUA's key objectives of the Strategic Plan are – Facilitate our Strength in Numbers, Educate-Excel as an Expert and Resource, Collaborate and Advocate for Solutions, Safeguard Water Supplies, Prepare for Impacts of Drought and Shortage, Pursue Post-2025 Water Policy, Minimize Financial Impacts, and Interconnect Disciplines.

Mr. Tenney reported that the key points of the AMWUA Annual Action Plan include Day-to-Day Operations, Enhanced Communication, Legislation, Prepare for Redesignation, Demand Management & Efficiency, Sustainable Water Management, Finances & Water, and Colorado River Management & Shortage Preparation.

Mr. Tenney reported that on a Day-to-Day basis, AMWUA will continue to serve its members by collaborating on issues and advocating for the agreed-upon positions, communicating

about water and the important responsibilities of its members, addressing the members' requests for research, information and questions from the public regarding regional water issues, providing timely notification of water issues and summaries of key water meetings, and continuing to wisely manage its finances and effectively develop its personnel. Mr. Tenney stated that the AMWUA staff would share about items on the Action Plan.

Patrick Adams, Water Policy Analyst, noted that AMWUA has been overseeing the Water Loss Control Training for its members that is funded by ADWR. It is meant to be completed by June 2021 so it is not included in the new annual plan. Mr. Adams then reported on the action items of Legislation and Prepare for Redesignation. He stated that in 2020, AMWUA facilitated monthly Vetting Forums for Water in collaboration with the Agribusiness & Water Council, and AMWUA held an Arizona Water 101 event together with SAWUA and NAMWUA to provide legislators with a better understanding of the municipal perspective and role in water management. Mr. Adams stated that AMWUA's approach in the upcoming year regarding legislation will be consistent with its current efforts, and AMWUA will continue to monitor, analyze, and act upon legislation that affects its members. Mr. Adams also reported that AMWUA would continue to focus on the 2025 Redesignation process to produce policy analysis and support that will prepare the AMWUA cities to renew their assured water supply designations. AMWUA will serve as a resource on assured water supply issues, monitor any related policy developments, and coordinate with the various agencies involved.

Sam Draper, Conservation & Efficiency Program Manager, reported on Demand Management & Efficiency noting that AMWUA would continue to engage in efforts to pursue demand management best practices and policies in the 5th Management Plan, Post-2025 AMAs Committee, and through commercial, industrial, and institutional efficiencies. She added that AMWUA will stay focused on further quantifying savings from water conservation efforts, and will remain engaged in regional, statewide, and national demand management efforts and in elevating our members' individual programs and efforts. Ms. Draper noted that AMWUA launched and promoted the Landscaping with Style microsite and Water Use Calculator microsite, and created and printed various valuable educational materials for the AMWUA members to utilize. She added that it will be important to expand awareness about ongoing conservation efforts to enhance water resource supply sustainability, and that AMWUA will continue to assist its members in strategizing demand management by researching and developing outdoor water efficiency standards and best practices.

Sheri Trapp, Communications Manager, reported on Enhanced Communications and communication efforts under Colorado River Management & Shortage Preparation. She stated that AMWUA will continue to improve how it conveys the municipal perspective on water by educating the public, decision-makers, and the media about what the AMWUA cities do to safeguard their water supplies and ensure the delivery of safe and reliable water every day. In addition, AMWUA will stay in front of issues and address misconceptions. AMWUA will continue to create content and materials for its members to utilize, and use a variety of platforms to educate and inform including AMWUA's blog, social media, resources materials, and the AMWUA Website. Ms. Trapp stated that with the increased attention on the Colorado River, AMWUA has been working with its advisory groups, regional partners, and the members' communications staff to better facilitate information exchange and enhance

coordination of complimentary messaging. She noted that the Colorado River Shortage Awareness Campaign was developed for this purpose.

Jessica Fox, Water Policy Advisor, reported on Colorado River Management & Shortage Preparation, Finances & Water, and Sustainable Water Management. She stated that AMWUA will continue to assist, monitor, and coordinate on the impacts of shortage declarations on the Colorado River along with the Reconsultation of the 2007 Colorado River Interim Guidelines to ensure its members' interests are forefront. AMWUA will pursue opportunities to assist and synchronize continuing preparation efforts, and will continue to participate in the Recovery Planning Advisory Group to engage in the implementation phases of the recovery of Arizona Water Banking Authority stored water for the benefit of M&I subcontractors. In addition, AMWUA will analyze the long-term risks of M&I subcontract shortages to its members to assist in initiating discussions on how to address growing Colorado River supply uncertainty. Ms. Fox reported on Finances & Water noting that AMWUA will continue to examine, analyze and influence water positions and policies that impact its members' finances, including decisions made by CAWCD and SRP on their various short- and long-term water costs. In particular, AMWUA will continue to assist its members in understanding and preparing for shortage rate impacts and advocating for effective strategies to utilize the CAWCD rate stabilization funds. Ms. Fox reported on Sustainable Water Management noting that AMWUA will continue to evaluate and pursue its members' contribution towards efforts and policies that will sustain and safeguard water resources and prepare for critical water management issues beyond 2025. AMWUA will continue to analyze how the Water Bank can best benefit municipal users, and will actively participate in meetings of the Governor's Water Council to protect and promote its members' perspectives. In addition, AMWUA will continue to lead discussions in the Post-2025 AMAs Committee toward developing strategies and solutions to address identified issues and improve long-term water management in the AMAs.

Ms. Marlow stated that she appreciated how AMWUA was able to transition remotely and still make great progress during the COVID situation. Mr. Biesemeyer echoed that sentiment and complimented Mr. Tenney and the AMWUA staff for the presentation and noted that the update is pertinent.

Upon a motion made by Ms. Peters and a second by Mr. Biesemeyer, the AMWUA Management Board unanimously recommended that the AMWUA Board of Directors approve the AMWUA Strategic and Annual Action Plans.

5. [Update on the Governor's Water Council](#)

Mr. Tenney reported that the Governor's Water Council and its Committees provide an opportunity to look at how to improve overall water management in Arizona. AMWUA has been an active participant including his serving as co-chair of the Post-2025 AMAs Committee. Mr. Tenney stated that Jessica Fox will provide a brief overview about the Post-2025 AMAs Committee's activities, and Patrick Adams will provide an update on an issue that falls under the Desalination Committee.

Ms. Fox reported that the purpose of the Post-2025 AMAs Committee is to identify water management challenges facing the AMAs and to generate solutions to address those challenges well beyond 2025. Ms. Fox stated that the six identified issues are Hydrologic Disconnect, Exempt Wells, Unreplenished Groundwater Withdrawals, Groundwater in the Assured Water Supply Program, CAGR Replenishment and Water Supplies, and AMA Management Structure Post-2025. She stated there was general consensus of the Committee to forward these six issues to the Governor's Water Council for its review, and will be seeking the Council's feedback and support for the Co-Chairs of the Committee to proceed to the strategies and solutions development phase to address the interconnected long-term water management challenges. Ms. Fox strongly encouraged the AMWUA Management Board to review the final packet sent to the Council, which includes a summary of the issues and the progress to date.

Mr. Adams reported that the Desalination Committee has met since 2016 with the goal being to identify brackish water desalination opportunities within Arizona. He stated that the Committee has evaluated numerous projects throughout the state focusing on brackish groundwater projects and has concluded that regulatory barriers were impeding utilization of brackish groundwater. Mr. Adams stated that ADWR has produced a White paper outlining the regulatory framework around brackish groundwater and also includes stakeholder viewpoints. He added that the paper captures the technical background of brackish groundwater and the viewpoints of the various interests of the Desalination Committee. AMWUA has provided comments to ADWR expressing concern about incentives for more groundwater pumping and also against increasing unreplenished groundwater withdrawals, which goes against the AMA goal of safe-yield. Mr. Adams concluded that AMWUA will continue to keep the AMWUA Management Board apprised of any developments.

Mr. Tenney stated that the Long-Term Water Augmentation Committee is scheduled to meet on Friday. One of the agenda items will be a presentation on efforts to import water to or within Arizona. This should give context in relationship to the current legislative effort to appropriate \$5 million to ADWR to look at augmentation opportunities including from the Mississippi and Missouri Rivers. In 2019, this Committee issued a report concluding that the only feasible water augmentation project for Arizona is a possible desalination project with Mexico. That report also encouraged that we consider how to best maximize the use of existing water resources.

C. Member Reports

Ms. Peters reported that Vice Mayor Williams will be leaving the Phoenix City Council and has resigned her position on the AMWUA Board of Directors as of last month. Councilmember-elect Ann O'Brien will be the new Phoenix designee on the AMWUA Board. Ms. Peters also reported that the city is engaged in its recruitment process to fill the Water Services Director position and is close to completing that process. She also reported that the Phoenix City Council will conduct a public hearing on its rate increase proposal. This proposal includes a 3% rate increase in October 2021 and an additional 3.5% in March 2022. Ms. Peters commented on statutory requirements that apply to the water rates adjustment and is interested in a conversation about whether those could be adjusted for more flexibility. She noted that there are constraints in statute that are unfortunate.

Ms. Marlow reported that the Gilbert Town Council held its annual financial retreat last month. The Council approved the 30% design reconstruction of Gilbert's north water treatment plant in order to address the challenging water quality issues and future growth and capacity needs. She added that a rate study will be conducted over the summer to determine the rate impacts for this reconstruction for Council consideration and approval.

Mr. Biesemeyer reported that the City of Scottsdale received a Bureau of Reclamation water smart grant for \$1.5 million for its aquifer storage and recovery well program. He noted that additional city funds will be spent to ensure meeting the Federal requirements of the grant.

D. Executive Director's Report

Mr. Tenney reported that the information presented in the Annual Action Plan covers what AMWUA is currently working on at this time.

Mr. Tenney reported that there is a good possibility that Congress will pursue legislation to fund water infrastructure particularly in the West. To prepare and show the needs in Arizona, Senator Mark Kelly's staff is encouraging that a list of planned water infrastructure projects be compiled and is working with ADWR on this. AMWUA has been asked to coordinate with the AMWUA cities to prepare a list of capital improvement projects that may be in the queue and would like to receive Federal financial assistance on. Mr. Tenney noted that there are no guarantees, but it is a potential opportunity for the AMWUA members.

There was discussion about the timeframe of these projects, the pros and cons to accepting Federal financial assistance, and the need in Arizona for funding of capital improvement projects. Mr. Tenney said he would provide more information to the AMWUA Management Board.

E. Future Agenda Items

No future agenda items were discussed.

F. Adjournment

Ms. Marlow adjourned the meeting at 11:13 a.m.

MANAGEMENT BOARD

INFORMATION SUMMARY

April 14, 2021

2021 Legislative Session

ANNUAL PLAN REFERENCE

Legislation

Effectively advocate with one voice at the Legislature.

- Monitor, analyze and clarify state and federal legislation of interest to our members.
- Engage with legislators to inform them about the issues important to AMWUA including identifying and working with legislators to champion water issues.

Strategic Plan: Collaborate and Advocate for Solutions, Safeguard Water Supplies, Reinforce Groundwater Management, Prepare for Impacts of Drought & Shortage, Pursue Post-2025 Water Policy

SUMMARY

This legislative summary provides a status update on all bills that the AMWUA Board of Directors has adopted a position. The document identifies bills that continue to advance through the process, and those that are unlikely to move forward.

RECOMMENDATION

Staff recommends that the AMWUA Management Board review the legislative update and ask any questions that arise.

Depending on legislative developments before the April 14, 2021 meeting, the AMWUA Management Board may be asked to provide direction regarding legislation.

Key Water Legislation

[HB 2035](#) appropriation; Arizona water protection fund (Griffin)

This bill would appropriate \$1 million from the state general fund in Fiscal Year 2021-22 to the Arizona Water Protection Fund. The Arizona Water Protection Fund is a state-run program administered by ADWR that funds projects to protect and enhance water quality and quantity in Arizona's rivers, streams, and riparian areas. Some of these efforts include revegetation, erosion control, channel stabilization, research, and water conservation. AMWUA has supported this legislation in previous years.

AMWUA Position: Support

Status: Passed Senate Appropriations Committee 3/2

[HB 2041](#) | [SB 1446](#) groundwater replenishment reserves (H: Griffin | S: Kerr)

This bill introduces clarifications to the calculation of CAGR's 100-year replenishment obligation for the purpose of calculating the replenishment reserve target. Existing statute could be read to require the CAGR to calculate the replenishment reserve based on each AMA's buildout obligation multiplied by 100. Modifies the statutory calculation of each AMA's projected replenishment obligation to equal the cumulative projected obligation for each year following submission of the Plan of Operation. AMWUA supported this legislation in the 2020 session.

AMWUA Position: Support

Status: HB 2041 signed by Governor 2/18

[HB 2056](#) | [SB 1368](#) water conservation notice; no forfeiture (H: Griffin | S: Kerr)

Allows a water right holder to file a "Water Conservation Plan" with ADWR. Upon filing a plan that outlines water conservation measures that are planned or will be implemented, the water rights included in that notice would be shielded from a claim of abandonment or forfeiture. The Plan can be extended by 10-years, indefinitely. Includes a legislative intent clause specifying that the Legislature intends the provisions to only apply prospectively.

AMWUA Position: Monitor

Status: HB 2056 signed by Governor 2/18

[HB 2074](#) | [SB 1147](#) water banking; storage credits; subcontractors (H: Pratt | S: Kerr)

For nearly three decades the Arizona Water Banking Authority (AWBA) has stored Colorado River water underground to supplement the water supplies of Central Arizona Project (CAP) Municipal & Industrial (M&I) subcontractors. To access the stored water in times of shortage, current statutes require that the AWBA must first transfer the long-term storage credits (LTSC) to CAP for recovery. This bill would provide the AWBA with the option to distribute LTSC directly to M&I subcontractors. The concept of direct distribution is an outcome of a stakeholder effort to plan for the recovery of water supplies stored by the AWBA. This legislative change would provide flexibility and simplicity for recovery of AWBA credits and reduces the cost of recovery to end users. AMWUA took the lead for this legislation in the 2020 session.

AMWUA Position: Support

Status: SB 1147 passed the House 4/7

[HB 2078](#) | [SB 1021](#) groundwater; waterlogged area exemption; date (H: Dunn | S: Kerr)

The Buckeye Waterlogged Area (BWLA) was established by the Legislature in 1988, covering an area surrounding the Gila River from confluence with the Salt River west to Gillespie Dam, which includes part of Avondale and Goodyear. Within the BWLA, farmlands are exempt from water duties, certain irrigation districts are exempt from conservation requirements, and entities pumping groundwater are not required to pay withdrawal fees. Statute requires that ADWR review the area's hydrologic conditions and make a recommendation to the Governor and Legislature on whether or not the exemptions should continue. ADWR published its findings in December 2019 and recommended that the BWLA continue through 2034. This bill would extend the BWLA exemptions through 2034, as recommended by ADWR. AMWUA supported this legislation in the 2020 session.

AMWUA Position: Support

Status: HB 2078 signed by Governor 2/5

[HB 2247](#) | [SB 1177](#) forest products; processing; tax credit (H: Griffin | S: Kerr)

This legislation would establish a new tax credit for qualifying entities in the forest product industry that participate in the Arizona Commerce Authority's "Healthy Forest Enterprise Incentive Program." The tax credit is determined by the volume qualifying forest products that the business processes annually. This legislation, developed by SRP, is intended to incentivize increased forest thinning to improve watershed conditions. The tax credit offered in this legislation expires after 10 years.

AMWUA Position: Support

Status: SB 1177 passed House NREW Committee 3/9

[HB 2330](#) | [SB 1370](#) environmental quality programs; terminations; repeal (H: Griffin | S: Kerr)

This bill proposes to remove the statutory termination dates for multiple programs administered by the Arizona Department of Environmental Quality (ADEQ). Current statutes include sunset dates for these individual programs, separate from ADEQ's sunset review as an entire agency. Removing the termination dates for these programs would align their sunset reviews with the ADEQ sunset review. AMWUA supported this legislation in the 2020 session.

AMWUA Position: Support

Status: SB 1370 signed by Governor 3/18

[HB 2336](#) | [SB 1274](#) assured water supply; subdivisions (H: Pratt | S: Shope)

This measure has been introduced on behalf of the Pinal AMA Stakeholder Group; entities working to address groundwater physical availability issues in the Pinal AMA that have resulted in ADWR holding pending AWS applications. HB 2336 would amend statute to allow a water provider in the Pinal AMA to Modify their most recent Designation of Assured Water Supply (AWS) without having to re-demonstrate the physical availability of groundwater if the Provider is not seeking to increase its previously approved physical availability volume.

This bill codifies ADWR's existing policies related to determining the "Area of Impact" for water stored underground that will be included in an AWS application.

The bill also changes the AWS statutes to allow developers to change the land use type or increase the number of housing units on a subdivision plat associated with existing Certificates of AWS, provided that the overall water use does not increase. Current regulations require developers to apply for a new Certificate if a plat is revised and housing units are increased by 10% or more.

AMWUA has worked with the proponents of this bill to incorporate technical amendments related to the AWS Program, as well as to secure a provision that would ensure ADWR can revise its Rules across all AMAs to make conforming changes.

AMWUA Position: Support

Status: SB 1274 signed by Governor 2/12

[HB 2388](#) water supply development fund; appropriation (Griffin)

The Water Supply Development Revolving fund was established in 2007 and was intended to assist rural water providers acquire water supplies through loans and grants. Currently statutory criteria exist that limit the disbursements from the fund to only water providers that are located within an AMA, or a jurisdiction that has voluntarily adopted adequate water supply provisions. This bill would negate those statutory criteria and make the monies available to any water provider outside of Maricopa County. HB 2388 also expands the definition of “water provider” to include additional private water companies and Natural Resource Conservation Districts. Passive stormwater recharge projects are added to the approved statutory list of water supply development projects. An amendment passed on March 11th removed a proposed \$50 million appropriation.

AMWUA Position: Monitor

Status: Passed Senate COW 4/6

[HB 2390](#) | [HB 2594](#) | [HB 2778](#) stream adjudications; cooperative extension; appropriation (Griffin & Bowers)

These bills authorize Arizona Universities to represent claimants in the General Stream Adjudications. HB 2778 was introduced with slightly differing language, directing the \$500,000 to the University of Arizona’s cooperative extension, rather than for the establishment of a new UA law clinic. HB 2778 also modifies the qualification criteria of those eligible to receive this assistance from low income claimants to “small land owners.”

AMWUA Position: Support

Status: HB 2778 passed Senate Appropriations Committee 3/16

[HB 2441](#) water; substitute acreage (Griffin)

Adds statutory provisions that would allow an irrigator to retire irrigated acres and apply that water right to new, “substitute” lands. The substitute lands must be contiguous to the retired acres or part of the same farming unit. The irrigator must notify ADWR that the retired acres were damaged by floodwaters or, report that a “condition” (including soil quality or the shape of the farmland) exists that is limiting the efficient irrigation of those original acres and that the substitution of new land will facilitate more efficient water use.

AMWUA Position: Monitor

Status: Signed by Governor 3/23

[HB 2576](#) | [SB 1763](#) water rights; general adjudications; funding (H: Griffin | S: Engel)

This measure establishes the *General Adjudication Personnel and Support Fund*. Monies in the Fund can be used to provide additional full-time staff, equipment, or services for the Adjudication proceedings for both the Court and ADWR. Prior to any monies being allocated from the Fund, ADWR or the Supreme Court must prepare an expenditure plan for review by the Joint Legislative Budget Committee. The bill appropriates nearly \$400,000 for the Court to immediately utilize and \$2 million for the general purposes of the Fund. AMWUA supported this legislation in the 2020 session.

AMWUA Position: Support

Status: HB 2576 passed House NREW Committee 2/16

[HB 2614](#) | [SB 1366](#) remediated water; groundwater; use (H: Osborne | S: Kerr)

In 1997 the Arizona legislature enacted reform measures to the WQARF Program, including creation of incentives for the use of remediated groundwater to facilitate the cleanup of groundwater contamination. Session Law directs ADWR to consider remediated groundwater pumped pursuant to qualifying projects to be consistent with the Management Goal and Plan of the AMA. HB 2614 incorporates the Session Law provisions into A.R.S. Title 45, extends the exemption from 2025 to 2050, and adds a statutory provision that mandates remediated groundwater be put to beneficial use within the service area of the municipal provider where the groundwater was withdrawn, or pursuant to an existing grandfathered right.

AMWUA Position: Support

Status: SB 1366 passed House Rules Committee 3/29

[HB 2691 s/e](#) ADEQ; water quality programs; WOTUS (Griffin)

This bill authorizes ADEQ to adopt water quality standards for surface waters in Arizona that are not classified as “Waters of the United States” (WOTUS) pursuant to the Clean Water Act. The statutory amendments direct ADEQ to establish a list of “protected surface waters” and outlines specific waterbodies that must be listed, as well as criteria and procedures for adding or removing waterbodies to the list of protected surface waters. AMWUA has engaged with ADEQ throughout the formation of this legislation as a member of the Department’s Stakeholder Advisory Group. AMWUA staff recommended adoption of a Monitor position on this bill, in recognition that each member city has specific comments and concerns with the legislation.

AMWUA Position: Monitor

Status: Passed Senate COW 4/5

Stalled Legislation

[HB 2203](#) | [SB 1079](#) well drilling; groundwater basins (H: Cano | S: Steele)

Establishes a well drilling moratorium that prevents new wells in the Upper San Pedro and Verde Valley groundwater subbasins until the conclusion of the General Stream Adjudication unless a well is a replacement well or does not pump subflow.

AMWUA Position: Monitor

Status: Neither bill received a committee hearing

[HB 2204](#) | [SB 1656](#) wells; permits; spacing rules (H: Cano | S: Mendez)

Requires that ADWR adopt rules governing the location of new and replacement wells >35 gpm located outside of AMAs, within groundwater basins that the Director determines to be experiencing declining groundwater levels. AMWUA supported this legislation in the 2020 session.

AMWUA: Support

Status: Neither bill received a committee hearing

[HB 2205](#) | [SB 1562](#) WQARF; Appropriation (H: Cano | S: Peshlakai)

Appropriates \$15 million from the general fund in FY2021-22 to the Water Quality Assurance Revolving Fund. WQARF is a state-sponsored program established by the Legislature and administered by the Arizona Department of Environmental Quality to clean up hazardous soil and groundwater contamination. AMWUA supported this legislation in the 2020 session.

AMWUA Position: Support

Status: Neither bill received a committee hearing. WQARF will be addressed through the Budget

[HB 2206](#) | [HB 2595](#) | [SB 1765](#) subsequent irrigation non-expansion areas; procedures (H: Cano, Cobb | S: Otondo)

These measures introduce a number of modifications to the procedures for establishment of new irrigation non-expansion areas (INA). This proposal would allow ADWR to consider projected rates of groundwater withdrawal as part of the determination of a new INA. The bills also clarify which entities are eligible to petition the State to create a new INA and would mandate that petitioners submit a groundwater model and hydrologic assessment using methodology approved by the ADWR Director. The language aligns with the suggested

statutory changes presented by ADWR in the summer of 2017 during the Governor’s Water Solutions Conversations. AMWUA supported this legislation in the 2020 session.

AMWUA Position: Support

Status: None of the bills received a committee hearing

[HB 2209](#) | [SB 1314](#) groundwater pumping; measuring; reporting (H: Cano | S: Steele)

Requires monitoring and annual reporting for nonexempt groundwater wells throughout the state. Water users who irrigate 10 or fewer acres that are not part of a larger farming operation, or water users who pump <10 acre-feet per year for non-irrigation use are exempted from this requirement. AMWUA supported this legislation in the 2020 session.

AMWUA Position: Support

Status: Neither bill received a committee hearing

[HB 2286](#) | [SB 1037](#) water efficient plumbing fixtures (H: Lieberman | S: Engel)

Arizona adopted water-efficiency standards for indoor plumbing fixtures in 1992 which have since been superseded by various federal laws and requirements. This bill would update Arizona’s water-efficiency standards to align with criteria established by the WaterSense Program, a public-private partnership between industry, utilities, and regulators. AMWUA supported this legislation in the 2020 session.

AMWUA Position: Support

Status: Neither bill received a committee hearing

[HB 2456](#) Colorado River fourth priority water (Cobb & 5 others)

This bill would add statutory language prohibiting the transfer of any Priority 4 (P4) Colorado River water to non-Colorado river communities.

AMWUA Position: Monitor

Status: HB 2456 was never assigned to a committee

[HB 2679](#) water; rural management areas (Cobb)

For counties bordering the Colorado River, this bill would allow the County Board of Supervisors to establish a new type of water management jurisdiction called a *Rural Management Area* if a particular groundwater basin or subbasin meet certain criteria, generally related to

groundwater depletion. For any Rural Management Area that is formed, a five-person advisory council shall be appointed by the Governor, and ADWR shall appoint a Director of the area. Rural Management Areas may develop a Management Goal, Management Plan, and voluntary or mandatory best management practices designed to reduce groundwater withdrawals in the area. The proposed Management Plan must be submitted for approval by ADWR.

AMWUA Position: Monitor

Status: HB 2679 never received a committee hearing

[HB 2740](#) | [SB 1474](#) watershed health; use; survey (H: Dalessandro | S: Engel)

This bill directs ADWR to conduct a triennial assessment of watershed health throughout Arizona and to establish by 2024 a set of recommendations for how much “ecological water” is needed to sustain ecosystems, wildlife habitat, or communities that may rely on a watershed. The bill also provides for the appropriation of water for “watershed health uses,” defined as the conservation of water within a natural watercourse that supports the health of an individual watershed. Current statutes allow for the appropriation and beneficial use of water instream for fish, wildlife, and recreation purposes but not explicitly for the benefit of the watershed or ecosystem as a whole.

AMWUA Position: Monitor

Status: Neither bill received a committee hearing

[SB 1386](#) water; augmentation authority; special districts (Shope)

This measure has been introduced on behalf of the Pinal County Water Augmentation Authority (CWAA). The bill would create a statutory framework for a CWAA to levy an assessment (similar to an ad valorem property tax) upon request of property owners for the purposes of financing water supply development projects that will ultimately allow that property to be eligible for a Certificate of Assured Water Supply. SB 1386 also adds to the existing statutory authorities of County Improvement Districts the ability to acquire water supplies and develop infrastructure for water conveyance, reuse, or replenishment. Finally, this bill would require ADWR to transfer a minimum of \$200,000 per year of groundwater withdrawal fee monies to the Pinal CWAA. Currently, statute specifies that ADWR may transfer up to \$200,000 by annual determination.

AMWUA Position: Monitor

Status: Held in Senate NREW Committee 2/17

MANAGEMENT BOARD

INFORMATION SUMMARY

April 14, 2021

CAWCD Water Rates, Taxes and Capital Charges

ANNUAL PLAN REFERENCE

Finances & Water

Examine, analyze and influence water positions and policies that impact our members' finances.

- CAWCD – Decisions regarding the use of property tax revenue, use of rate stabilization funds, recovery infrastructure financing, costs of System Use Agreement water quality requirements, and costs of shortage-related programs.

Strategic Plan: Collaborate and Advocate for Solutions, Safeguard Water Supplies, Prepare for Impacts of Drought & Shortage, Minimize Financial Impacts

SUMMARY

On May 15, 2021, the Finance Audit & Power (FAP) Committee of the CAWCD Board is scheduled to meet and to recommend firming the water delivery rates for 2022 at the provisional rate for a Tier 1 shortage that was recommended and adopted last year. Also, the provisional capital charges and taxes that were adopted last year are anticipated to remain the same when firmed this year. For 2022, the preliminary rate schedule allocates 2.5¢ of the general Ad Valorem Tax toward the federal repayment, reducing the capital charge by \$21 per AF. Use of these tax receipts ultimately results in capital charges of \$50 per AF in 2022.

The FAP Committee will focus on how to collect and allocate property taxes in its recommendation for 2023. The amount of the ad valorem tax they recommend applying towards the federal repayment will determine the capital charges in 2023 since capital charges and taxes are CAWCD's two revenue sources available for federal repayment.

Since 2017, the AMWUA Board of Directors has taken the formal position that CAWCD's tax revenues should be used along with capital charges to meet its federal repayment rather than solely depending upon capital charges. AMWUA has consistently advocated that CAWCD's taxing authority was granted in large part for the purpose of repaying the federal government for the construction of the Central Arizona Project, which benefits all taxpayers in its three-county service area. Last year, the CAWCD Board agreed to utilize a portion of the property tax receipts for the federal debt repayment in both 2021 and 2022.

AMWUA intends to prepare comments for the FAP Committee based on the report and presentation that CAWCD staff will publish one week prior to the FAP Committee meeting. AMWUA staff will discuss with the Management Board the taxes and capital charges for 2023 that the FAP Committee will be considering for its recommendation to the CAWCD Board.

RECOMMENDATION

The AMWUA Management Board is requested to discuss and ask questions regarding the proposed CAWCD water rates, taxes and capital charges.

MANAGEMENT BOARD

INFORMATION SUMMARY

April 14, 2021

Status of the Recovery Planning Advisory Group

ANNUAL PLAN REFERENCE

Colorado River Management & Shortage Preparation

Assist, monitor and coordinate on the impacts of shortage declarations on the Colorado River along with the Reconsultation of the 2007 Colorado River Interim Guidelines to ensure our members' interests are forefront.

- Recovery Planning - Participate in the Recovery Planning Advisory Group to engage in the implementation phases of recovery of AWBA stored water for the benefit of M&I subcontractors.

Strategic Plan: Facilitate our Strength in Numbers, Collaborate and Advocate for Solutions, Safeguard Water Supplies, Prepare for Impacts of Drought & Shortage, Minimize Financial Impacts

SUMMARY

In January 2018, the Arizona Water Banking Authority (AWBA), Arizona Department of Water Resources (ADWR), and Central Arizona Water Conservation District (CAWCD) jointly convened the Recovery Planning Advisory Group (RPAG). The objective of the group is to provide greater planning clarity on how the 2014 Joint Recovery Plan will be implemented to firm M&I subcontracts. AMWUA, along with the cities of Phoenix and Mesa, have been participating in the RPAG. The RPAG met throughout 2018 and 2019 to discuss recovery planning and implementation issues. Throughout 2020, the three agencies began drafting the Update to the 2014 Plan. The RPAG reviewed and commented on each of the chapters within the Update.

Since 2014, M&I subcontract firming methods have changed based on the input from the RPAG along with the subsequent approval of the CAP System Use Agreement. A key change has been the concept of "Independent Recovery" in which subcontractors would recover AWBA credits on their own or with a partner. This concept relates to the legislation that AMWUA has been pursuing that would allow the AWBA to directly distribute its credits to M&I subcontractors. The three agencies also updated the firming analysis to better understand the impacts to direct uses to estimate the need for recovery wells and related infrastructure in specific years. Both of these concepts have resulted in less of a projected direct reliance on CAWCD for recovery.

The Update to the 2014 Joint Recovery Plan is being finalized by the three agencies based on comments received from the RPAG. The Update is expected to be released publicly within the next month.

AMWUA staff will give an overview of what is anticipated in the Update to the 2014 Joint Recovery Plan.

RECOMMENDATION

The AMWUA Management Board is encouraged to ask questions about the Recovery Planning Advisory Group and the development of the Update to the 2014 Joint Recovery Plan.

MANAGEMENT BOARD

INFORMATION SUMMARY

April 14, 2021

City of Chandler's Water Allocation Process

ANNUAL PLAN REFERENCE

Sustainable Water Management

Evaluate and pursue our members' contribution towards efforts and policies that will sustain and safeguard our water resources and prepare for the critical water management issues beyond 2025.

Strategic Plan: Facilitate our Strength in Numbers, Educate – Excel as an Expert and Resource, Collaborate and Advocate for Solutions, Safeguard Water Supplies, Strengthen Groundwater Management, Prepare for Impacts of Drought & Shortage, Pursue Post-2025 Water Policy, Interconnect Disciplines

SUMMARY

In June 2015, the City of Chandler adopted a “Water Allocation Policy” to strategically link land use and water planning for new development. This innovative policy has since become a model for other municipal ordinances and policies that tie water resource planning with development decisions. A number of AMWUA members have adopted similar policies in the intervening years. Gregg Capps, Utility Resource Manager, for the City of Chandler will provide an overview of Chandler's Water Allocation Policy and answer any questions that the AMWUA Management Board may have.

RECOMMENDATION

The AMWUA Management Board is encouraged to ask questions about the City of Chandler's Water Allocation Policy and discuss Chandler's and similar initiatives directed towards linking land use and water resource planning.

MANAGEMENT BOARD

INFORMATION SUMMARY

April 14, 2021

AMWUA Fiscal Year 2022 Preliminary Draft Budget

ANNUAL PLAN REFERENCE

Day-to-Day Operations

Maintain the daily operations of an effective organization and the services members rely on.

- AMWUA will continue to wisely manage its financial resources and effectively develop its personnel as an agile team with organizational depth.

Strategic Plan: Facilitate our Strength in Numbers

SUMMARY

Attached is the preliminary draft of the Fiscal Year 2022 annual budget, which includes a summary page with comments to explain increases or decreases for each line item.

Development of the Fiscal Year 2022 budget was guided by the Annual Action Plan for Fiscal Year 2022, which was approved last month. This budget allows AMWUA to continue to be a forum for its members to collaborate on water issues; to develop and advocate positions that safeguard our water resources; to promote key water policy issues with the Legislature, Arizona Department of Water Resources, Central Arizona Water Conservation District, Salt River Project, and other stakeholders; and to be at the forefront of demand management and water conservation efforts.

The preliminary draft Fiscal Year 2022 annual budget was developed after a full year into the ongoing COVID-19 situation. The COVID-19 situation continues to cast uncertainty about what to expect in the coming months though circumstances appear to be moving towards a positive direction including increased in-person interaction. Yet, even if COVID-19 is brought under complete control, it is anticipated that certain practices including the utilization of audio/video conferencing will continue, which may have positive or negative impacts on the budget.

This preliminary draft budget shows an increase of \$25,146 (1.74%) from the approved Fiscal Year 2021 budget. The following summarizes the budget categories and provides explanation for line items that have an increase or decrease from last year's budget.

Administration – This includes salaries and Arizona State Retirement System (ASRS) contributions reflecting an increase of \$21,141 from the approved Fiscal Year 2021 budget. The increase is consistent with the motion made at the March 25, 2021 AMWUA Board meeting to direct the Executive Director to come forward with a budget for Fiscal Year 2022 reflecting the direction in executive session regarding any salary adjustments for the Executive Director and AMWUA staff. It should be noted the Administration category is almost \$5,000 less than the Fiscal Year 2020 budget. For Fiscal Year 2022, the administration budget strikes a balance between having the necessary staff resources for AMWUA to carry forth its mission and annual plan and being fiscally conservative. What AMWUA is able to accomplish is directly linked to its staff and their time and effort to perform.

- Salaries include adjustments due to performance awards received half-way through the Fiscal Year 2021, which is now reflected during the 12 months of the preliminary draft Fiscal Year 2022 budget. Based on last year's uncertainty regarding the financial implications due to COVID-19, the performance awards adjustments were set at 1.5%.
- Performance Awards – Up to 5% for each full-time employee, except the Executive Director, is recommended for employees who excel in their performance. The awards would occur half-way through Fiscal Year 2022.
- The Executive Director's compensation is adjusted based on the AMWUA Board of Directors' review.
- Arizona State Retirement – Includes an annual increase in the Arizona State Retirement System contribution rate from 12.22% to 12.41% effective July 1, 2021.

Employee Benefits – This includes payroll processing, taxes, various insurances, and cell phone allowances. The main changes include:

- Health Insurance – The \$5,500 decrease is due to a lower-than-expected rise in insurance costs during calendar year 2021. AMWUA's insurance broker is projecting a 12% increase for calendar year 2022, which is factored into the line item.
- Cell Phone Allowance – The \$1,500 increase is so each employee has the same monthly allowance allotment. This would have been included in the Fiscal Year 2021 budget if the full extent of working remotely had been known.

Professional Services – This includes outside services that AMWUA utilizes throughout the year. The budget reflects no overall change from last year; however, three line items did change, which are:

- Audio/Visual Development – This item no longer needs to be funded, which is a \$2,000 decrease.
- IT Services – The \$1,000 increase is for the service provided to maintain and troubleshoot the server and computer equipment.
- Audit – The \$1,000 increase is due to the agreement terms with the auditor, HeinfeldMeech.

Occupancy – These items are related to the leasing of office and meeting space for AMWUA and reflect an overall \$19,305 increase.

- Office Space – At the February 27, 2020 meeting, the AMWUA Board agreed to a 10-year lease amendment for AMWUA’s current office space that begins April 1, 2021. Per that amendment, the cost for the Office Space increases by \$13,805 in Fiscal Year 2022.
- Building Operating Costs – The \$4,500 increase is based on the building operating costs, which are similar to an HOA fee. The size of the increase is in part due to the incentivized decrease we received for approving the lease agreement in 2020.
- Telecommunications – This line item reflects a \$1,000 increase in internet costs.
- Office Lease Stabilization Fund - Under the lease amendment that begins April 1, 2020, AMWUA’s rent increases, and subsequently increases each fiscal year, by \$0.50 per square foot. However, for the remaining three months of Fiscal Year 2021 and the first three months of Fiscal Year 2022, AMWUA receives six months of free rent. Last year, the Board approved AMWUA to still collect dues toward the rent during those months, set it aside as an office space lease stabilization reserve, and use \$10,000 of the reserve each subsequent fiscal year to reduce the Office Space line item. The use of \$10,000 of that reserve in Fiscal Year 2022 is reflected at the end of the budget under funding sources, which reduces the members’ assessment.

Training and Travel – This category covers items involved with staff participating in conferences, workshops, and training along with the related travel expenses. This category is reduced overall by \$3,250 in anticipation that even with increased in-person meetings in Fiscal Year 2022, it will not be the same as before COVID-19. It is expected the benefits of virtual meetings will continue to be recognized and utilized, reducing the need for conferences and travel reimbursement involved for meetings. As we progress to the other side of the COVID-19 situation, this line item may be increased again in Fiscal Year 2023.

Capital Outlay – This category covers AMWUA’s primary capital property such as the copier and computer hardware and software. The \$2,800 decrease reflects that fewer computer hardware and software upgrades are anticipated in the new fiscal year.

Office Operating Expenses – These items cover AMWUA’s day-to-day office operating expenses. Overall, there is a \$1,250 decrease in office operating expenses but several of the line items have been adjusted.

- Supplies and Meetings – Each expense has been decreased by \$1,000 to better reflect actual needs. Depending on how in-person meetings proceed in Fiscal Year 2022, the Meetings line item may need readjusting in subsequent budgets.
- Outreach Efforts – The \$3,250 reduction is associated with the uncertainty of what outreach efforts we would pursue not knowing yet the opportunities post-COVID-19 impacts.
- Subscription & Reference – The \$1,900 increase is due to the addition of audio/video conferencing subscriptions.
- Dues & Membership – The \$1,500 increase is due to having all of AMWUA’s memberships and dues captured under one line item. Previously, specific conservation-related membership and dues had been included under the Water Conservation category.

AMWUA's memberships and dues include AZ Water Association, American Water Works Association, Alliance for Water Efficiency, Colorado River Water Users Association, Greater Phoenix Chamber, and Arizona Nursery Association.

- Public Liability & Property Damage Insurance – A \$600 increase is anticipated for the actual costs for these policies.

Water Conservation – There is no change to the full category amount, which reflects the objectives for demand management & efficiency continued from the current annual plan and outlined in the new annual plan. Last year, it was determined that the value of AMWUA's conservation efforts should be based on accomplishing the annual plan, not on the amount set aside for water conservation in the budget in prior years. The \$70,000 budget supports what AMWUA plans to accomplish in water conservation in Fiscal Year 2022 including an increased focus on policies and quantification. In the future, if projects are identified that will advance AMWUA's conservation goals that require more monies, then such an increase would be advocated to be included in that fiscal year's budget.

The water conservation budget includes a line item of \$30,000 committed to the contract with the University of Arizona for ongoing implementation of the long-standing Smartscape program to train landscape professionals in Maricopa County. ADWR provides matching funding for the program in the Phoenix Active Management Area. A line item of \$16,000 is designated for conservation, efficiency, and demand management-related research and initiatives. The remaining \$24,000 is dedicated to supporting sponsorships, events, and regional conservation efforts including educational and promotional materials.

Member Assessments – This preliminary draft budget is \$25,146 (1.74%) more than the approved Fiscal Year 2021 budget. The member assessments will also be higher in Fiscal Year 2022 because the actual member assessments in Fiscal Year 2021 were much less than what was anticipated in the budget due to a significant carryover of \$121,553 from the Fiscal Year 2020 budget. A carryover of approximately \$65,000 is anticipated from the Fiscal Year 2021 budget to the Fiscal Year 2022, along with \$10,000 from the Office Lease Stabilization Fund, that will reduce the member assessments in Fiscal Year 2022. The exact amount will be calculated at the end of the fiscal year. These unspent funds are due in large part to savings on building operating costs due to the office lease amendment and spending less on certain expenditures due to the COVID-19 situation.

The proposed budget balances the increases in overall administration and occupancy costs with the decreases in health care costs, professional services, training and travel, computer upgrades, and office operating expenses. It is anticipated that future budgets will continue to see modest increases to ensure that AMWUA can continue to accomplish its mission. Since 2002, AMWUA's Board has approved budgets between \$1.296 million and \$1.528 million. When adjusted for inflation (CPI-U index), the draft Fiscal Year 2022 budget is \$331,000 lower than the 2002 budget.

The membership assessment is calculated as follows: One-half of the proposed water budget is allocated equally among all members and the other half is allocated based on total population.

The population figures are taken from the most-recent Maricopa Association of Governments July 1, 2020 official population estimates. The wastewater portion of the budget continues to be allocated based on percentage of ownership of the 91st Avenue Wastewater Treatment Plant.

RECOMMENDATION

The AMWUA Management Board is requested to review and provide feedback regarding the preliminary draft Fiscal Year 2022 budget. The preliminary draft Fiscal Year 2022 budget will also be shared with the AMWUA Board of Directors for feedback at its April 29, 2021 meeting.

The final budget for Fiscal Year 2022 will be presented at the May 12, 2021 meeting for consideration for a recommendation to the AMWUA Board to adopt the budget at its May 27, 2021 meeting.

ATTACHMENT

- AMWUA Fiscal Year 2022 Preliminary Draft Budget

Draft Budget

Fiscal Year 2022

4/14/2021



ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Fiscal Year 2022
Draft Budget

ASSESSMENT SUMMARY

	WATER FY 21	WATER FY 22	WASTEWATER FY 21	WASTEWATER FY 22	TOTAL FY 21	TOTAL FY 22	FY 21 Carryover	ADJ TOTAL FY 22
CITY OF AVONDALE	74,956	76,269			74,956	76,269	1,714	74,555
CITY OF CHANDLER	105,169	107,426			105,169	107,426	5,478	101,948
TOWN OF GILBERT	103,939	106,001			103,939	106,001	5,306	100,695
CITY OF GLENDALE	101,265	102,879	14,702	14,837	115,967	117,716	4,929	112,787
CITY OF GOODYEAR	75,665	77,562			75,665	77,562	1,870	75,692
CITY OF MESA	143,412	146,168	32,545	32,844	175,957	179,012	10,159	168,853
CITY OF PEORIA	90,802	92,833			90,802	92,833	3,715	89,118
CITY OF PHOENIX	329,112	334,485	125,635	126,791	454,748	461,276	32,909	428,367
CITY OF SCOTTSDALE	102,042	103,907	22,554	22,762	124,596	126,669	5,053	121,616
CITY OF TEMPE	92,204	94,089	32,333	32,631	124,537	126,720	3,867	122,853
Total from Members	1,218,567	1,241,619	227,770	229,864	1,446,337	1,471,483	75,000	1,396,483
Other Funding Sources:								
TOTAL All Sources	1,218,567	1,241,619	227,770	229,864	1,446,337	1,471,483	75,000	1,396,483

Note #1. The Assessment Structure is based on the following formula: 50% of the water portion of the budget is allocated equally with the remaining 50% based on population according to the MAG 2020 official population estimates.

Note #2. Wastewater Assessments based on ownership in 91st Avenue Wastewater Treatment Plant @ 204.50 MGD.

ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Fiscal Year 2022
Draft Budget

ASSESSMENT SUMMARY
FY 20 FY 21 Carryover

	WATER FY 21	WATER FY 22	WASTEWATER FY 21	WASTEWATER FY 22	TOTAL FY 21	FY 20 Carryover	ADJ TOTAL FY 21	TOTAL FY22	FY 21 Carryover	ADJ TOTAL FY 22
CITY OF AVONDALE	74,956	76,269			74,956	6,298	68,658	76,269	1,714	74,555
CITY OF CHANDLER	105,169	107,426			105,169	8,837	96,332	107,426	5,478	101,948
TOWN OF GILBERT	103,939	106,001			103,939	8,734	95,205	106,001	5,306	100,695
CITY OF GLENDALE	101,265	102,879	14,702	14,837	115,967	9,745	106,222	117,716	4,929	112,787
CITY OF GOODYEAR	75,665	77,562			75,665	6,358	69,307	77,562	1,870	75,692
CITY OF MESA	143,412	146,168	32,545	32,844	175,957	14,785	161,172	179,012	10,159	168,853
CITY OF PEORIA	90,802	92,833			90,802	7,630	83,172	92,833	3,715	89,118
CITY OF PHOENIX	329,112	334,485	125,635	126,791	454,748	38,211	416,537	461,276	32,909	428,367
CITY OF SCOTTSDALE	102,042	103,907	22,554	22,762	124,596	10,470	114,126	126,669	5,053	121,616
CITY OF TEMPE	92,204	94,089	32,333	32,631	124,537	10,465	114,072	126,720	3,867	122,853
Total from Members	1,218,567	1,241,619	227,770	229,864	1,446,337	121,533	1,324,804	1,471,483	75,000	1,396,483
Other Funding Sources:										
TOTAL All Sources	1,218,567	1,241,619	227,770	229,864	1,446,337	121,533	1,324,804	1,471,483	75,000	1,396,483

Note #1. The Assessment Structure is based on the following formula: 50% of the water portion of the budget is allocated equally with the remaining 50% based on population according to the MAG 2020 (7.1.20) official population estimates.

Note #2. Wastewater Assessments based on ownership in 91st Avenue Wastewater Treatment Plant @ 204.50 MGD.

ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Fiscal Year 2022
Draft Budget

EXPENDITURE SUMMARY

	WATER FY 21	WATER FY 22	WASTEWATER FY 21	WASTEWATER FY 22	TOTAL FY 21	TOTAL FY 22
ADMINISTRATION	643,738	663,585	111,349	112,643	755,087	776,228
EMPLOYEE BENEFITS	152,703	147,348	25,297	23,652	178,000	171,000
PROFESSIONAL SERVICES	158,942	158,109	30,058	30,891	189,000	189,000
OCCUPANCY	138,252	155,215	53,248	55,590	191,500	210,805
TRAVEL, TRAINING & CONFER.	11,900	8,924	2,100	1,576	14,000	10,500
CAPITAL OUTLAY	11,935	9,574	2,065	1,626	14,000	11,200
OFFICE OPERATING EXPENSES	31,097	28,864	3,653	3,886	34,750	32,750
WATER CONSERVATION	70,000	70,000			70,000	70,000
TOTAL	1,218,567	1,241,619	227,770	229,864	1,446,337	1,471,483

ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Fiscal Year 2022
Draft Budget

BUDGET COMMENTS

	BUDGET TOTAL FY 20	BUDGET TOTAL FY 21	ESTIMATED ACTUAL FY 21	BUDGET TOTAL FY 22	COMMENTS
ADMINISTRATION					
Salaries	686,889	670,200	657,804	678,931	8 full-time positions - Increase due to performance awards effective 1/1/21 and Ex. Dir. salary adjustment 7/1/21
Performance Awards	9,845	3,910		13,139	Increase due to up to 5% performance award for staff only
Total Compensation	696,734	674,110	657,804	692,070	
Deferred Compensation:					
Arizona State Retirement	84,319	80,977	79,297	84,158	Increase reflects adjustment to salaries and overall ASRS percentage increase
Subtotal	781,053	755,087	737,101	776,228	
EMPLOYEE BENEFITS					
Payroll Processing, Taxes, Insur	61,000	61,000	61,037	58,000	Based on processing fees and taxes
Medical, Dental, Life, Disability	87,000	110,500	89,412	105,000	8 full-time staff - increases due to respective employee statuses and anticipated 12% increase in 2022
Cell Phone Allowance	6,700	6,500	5,700	8,000	Adjusted for 8 full-time positions
Subtotal	154,700	178,000	156,149	171,000	
PROFESSIONAL SERVICES					
Website Services	5,000	5,000		5,000	No change
Audio/Visual Development	2,000	2,000			Decrease due to lack of use or need
IT Services	5,000	5,000	4,800	6,000	Increase for services
Legal/Policy Consulting	60,000	60,000	60,000	60,000	No change
Legislative	47,500	50,400	50,400	50,400	No change. Second year of current agreement
Financial and Accounting Service	32,000	34,600	34,600	34,600	No change
Audit	31,000	32,000	31,000	33,000	Increase per audit agreement
Subtotal	182,500	189,000	180,800	189,000	
OCCUPANCY					
Office Space	179,000	179,000	104,325	192,805	Increase due to new lease agreement
Building Operating Costs	9,650	1,500		6,000	Increase due to anticipated shared maintenance costs following new lease incentives in FY21
Telephone	4,800	5,000	5,693	5,000	No change - covers only telephone service for office
E-Mail/Webpage/Internet Access	6,000	6,000	3,417	7,000	Increase for upgrade in internet service
Subtotal	199,450	191,500	113,435	210,805	

ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Fiscal Year 2022
Draft Budget

BUDGET COMMENTS

	BUDGET TOTAL FY 20	BUDGET TOTAL FY 21	ESTIMATED ACTUAL FY 21	BUDGET TOTAL FY 22	COMMENTS
TRAINING AND TRAVEL					
Conferences/Travel	9,000	9,000	165	5,750	Reduced to reflect anticipated in-person events
Mileage Reimbursement	3,250	4,000	275	2,750	Reduced to reflect anticipated in-person meetings
Staff Development	1,000	1,000		2,000	Increase to allow for on-line training
Subtotal	13,250	14,000	440	10,500	
CAPITAL OUTLAY					
Copy Machine Expenses	5,200	5,200	4,293	5,200	No Change - current copier lease expires end of 2021 but future costs not anticipated to increase
Computer/Equipment/Software	5,750	8,800	3,493	6,000	Decrease due to fewer anticipated expenses
Subtotal	10,950	14,000	7,786	11,200	
OFFICE OPERATING EXPENSES					
Supplies	6,500	6,000	5,042	5,000	Reduction to match anticipated actuals
Meetings	5,000	5,000		4,000	Reduction to match anticipated actuals
Outreach Efforts	10,000	10,000	1,578	6,000	Reduction to reflect anticipated outreach efforts
Printing	2,300	2,300		2,300	No Change
Postage & Deliveries	2,000	2,000	1,667	2,000	No Change
Subscription & Reference	1,300	1,300	2,863	3,200	Increase due to audio/video conferencing subscriptions
Dues & Memberships	1,750	1,750	954	3,250	Increase due to addition of conservation memberships
Insurance-Public Liability and Property Damage	4,100	4,400	4,362	5,000	Increase to match anticipated actuals
Equipment Maintenance	2,000	2,000		2,000	No Change
Subtotal	34,950	34,750	16,466	32,750	
WATER CONSERVATION					
Smartscape with Cooperative Ext.	30,000	30,000	64,000	30,000	Funding for UA Cooperative Extension to administer Smartscape program in Maricopa County
Research and Efficiency Initiatives	14,500	14,000		16,000	Funding for conservation, efficiency, and demand management related research and initiatives
Outreach	45,500	26,000		24,000	Funding for sponsorships, events, and regional conservation efforts including educational and promotional materials
Subtotal	90,000	70,000	64,000	70,000	Reduction coordinates with objectives identified in Annual Action Plan
Total Operating Expenses	<u>1,466,853</u>	<u>1,446,337</u>	<u>1,276,177</u>	<u>1,471,483</u>	
FUNDING SOURCES					
Office Lease Stabilization Fund, per Board policy adopted 6/25/20 to offset Office Space Expense				10,000	
Anticipated carry over from FY 21				65,000	
Member Assessments	<u>1,466,853</u>	<u>1,446,337</u>	<u>1,324,804</u>	<u>1,396,483</u>	
Total Funding	<u>1,466,853</u>	<u>1,446,337</u>	<u>1,324,804</u>	<u>1,471,483</u>	

ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Fiscal Year 2022
Draft Budget

EXPENDITURES DETAIL

	FY 21 BUDGET WATER	FY 21 ACTUAL WATER	FY 22 BUDGET WATER	FY 21 BUDGET WASTEWATER	FY 21 ACTUAL WASTEWATER	FY 22 BUDGET WASTEWATER	FY 21 BUDGET TOTAL	FY 21 ACTUAL TOTAL	FY 22 BUDGET TOTAL
ADMINISTRATION									
Salaries	571,394	644,647	578,966	97,246	13,157	99,965	670,200	657,804	678,931
Performance Awards	3,910		13,139				3,910		13,139
Total Wages	575,304	644,647	592,105	97,246	13,157	99,965	674,110	657,804	692,070
Deferred Compensation:									
Arizona State Retirement	68,434	67,014	71,480	12,543	12,283	12,678	80,977	79,297	84,158
Subtotal	643,738	711,661	663,585	109,789	25,440	112,643	755,087	737,101	776,228
EMPLOYEE BENEFITS									
Payroll Processing, Taxes, Insur	52,002	58,930	49,584	8,998	2,107	8,416	61,000	61,037	58,000
Medical, Dental, Life, Disability	94,201	86,325	89,764	16,299	3,087	15,236	110,500	89,412	105,000
Cell Phone Allowance	6,500	5,503	8,000		197		6,500	5,700	8,000
Subtotal	152,703	150,758	147,348	25,297	5,391	23,652	178,000	156,149	171,000
PROFESSIONAL SERVICES									
Temporary Services/Receptionist									-0-
Website Services	5,000		5,000				5,000		5,000
Audio/Visual Development	2,000						2,000		
IT Services	4,262	3,840	5,129	738	960	871	5,000	4,800	6,000
Communication									
Legal/Policy Consulting	60,000	60,000	60,000				60,000	60,000	60,000
Legislative	50,400	50,400	50,400				50,400	50,400	50,400
Financial and Accounting Services	27,680	27,680	27,680	6,920	6,920	6,920	34,600	34,600	34,600
Audit	9,600	8,200	9,900	22,400	22,800	23,100	32,000	31,000	33,000
Subtotal	158,942	150,120	158,109	30,058	30,680	30,891	189,000	180,800	189,000
OCCUPANCY									
Office Space	127,597	100,724	139,828	51,403	3,601	52,977	179,000	104,325	192,805
Building Operating Costs	1,278		5,129	222		871	1,500		6,000
Telecommunications	4,262	5,496	4,274	738	197	726	5,000	5,693	5,000
E-Mail/Webpage/Internet Access	5,115	3,298	5,984	885	119	1,016	6,000	3,417	7,000
Subtotal	138,252	109,518	155,215	53,248	3,917	55,590	191,500	113,435	210,805

ARIZONA MUNICIPAL WATER USERS ASSOCIATION
Fiscal Year 2022
Draft Budget

EXPENDITURES DETAIL

	FY 21 BUDGET WATER	FY 21 ACTUAL WATER	FY 22 BUDGET WATER	FY 21 BUDGET WASTEWATER	FY 21 ACTUAL WASTEWATER	FY 22 BUDGET WASTEWATER	FY 21 BUDGET TOTAL	FY 21 ACTUAL TOTAL	FY 22 BUDGET TOTAL
TRAINING AND TRAVEL									
Conferences/Travel	7,650	156	4,887	1,350	9	863	9,000	165	5,750
Milage Reimbursement	3,400	261	2,337	600	14	413	4,000	275	2,750
Continuing Professional Ed									
Staff Development	850		1,700	150		300	1,000		2,000
Subtotal	11,900	417	8,924	2,100	23	1,576	14,000	440	10,500
CAPITAL OUTLAY									
Copy Machine Expenses	4,433	2,575	4,445	767	1,718	755	5,200	4,293	5,200
	7,502	1,746	5,129	1,298	1,747	871	8,800	3,493	6,000
Subtotal	11,935	4,321	9,574	2,065	3,465	1,626	14,000	7,786	11,200
OFFICE OPERATING EXPENSES									
Supplies	5,115	4,867	4,274	885	175	726	6,000	5,042	5,000
Meetings	4,262		3,419	738		581	5,000		4,000
Outreach Efforts	10,000	1,523	6,000		55		10,000	1,578	6,000
Printing	1,960		1,966	340		334	2,300		2,300
Postage & Deliveries	1,705	1,609	1,709	295	58	291	2,000	1,667	2,000
Subscription & Reference	1,108	2,764	2,735	192	99	465	1,300	2,863	3,200
Dues & Memberships	1,491	921	2,778	259	33	472	1,750	954	3,250
Insurance	3,751	4,211	4,274	649	151	726	4,400	4,362	5,000
Equipment Maintenance	1,705		1,709	295		291	2,000		2,000
Subtotal	31,097	15,895	28,864	3,653	571	3,886	34,750	16,466	32,750
WATER CONSERVATION									
Smartscape with Cooperative Ext.	30,000	64,000	30,000				30,000	64,000	30,000
Sponsorship, Events & Memberships	14,000		16,000				14,000		16,000
Projects and Messaging	26,000		24,000				26,000		24,000
Subtotal	70,000	64,000	70,000				70,000	64,000	70,000
Total Operating Expenses	<u>1,218,567</u>	<u>1,206,690</u>	<u>1,241,619</u>	<u>227,770</u>	<u>69,487</u>	<u>229,864</u>	<u>1,446,337</u>	<u>1,276,177</u>	<u>1,471,483</u>
FUNDING SOURCES									
Office Lease Stabilization Fund									10,000
2020-2021 carryover applied to member assessments									65,000
Member Assessments	1,218,567	1,114,309	1,241,619	227,770	222,088	229,864	1,446,337	1,324,804	1,396,483
Total Funding	<u>1,218,567</u>	<u>1,114,309</u>	<u>1,241,619</u>	<u>227,770</u>	<u>222,088</u>	<u>229,864</u>	<u>1,446,337</u>	<u>1,324,804</u>	<u>1,471,483</u>